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| 09/982,852 | 10/22/2001 | Daniel V. East | 36488-167637 | 7743 |

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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

*-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --*

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _3_ MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

1)☒ Responsive to communication(s) filed on _14 January 2009_.
2a)☐ This action is **FINAL**.        2b)☒ This action is non-final.
3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

4)☒ Claim(s) _1-24_ is/are pending in the application.
    4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5)☒ Claim(s) _5 and 6_ is/are allowed.
6)☒ Claim(s) _1-4,7-24_ is/are rejected.
7)☐ Claim(s) _____ is/are objected to.
8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

**Application Papers**

9)☐ The specification is objected to by the Examiner.
10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.
    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
    a)☐ All   b)☐ Some * c)☐ None of:
      1.☐ Certified copies of the priority documents have been received.
      2.☐ Certified copies of the priority documents have been received in Application No. _____.
      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
    * See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1)☒ Notice of References Cited (PTO-892)
2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3)☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.
4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.
5)☐ Notice of Informal Patent Application
6)☐ Other: _____.

## DETAILED ACTION

1.      This communication is in response to the Board of Patent Appeals and

Interferences' DECISION ON APPEAL, mailed January 14, 2009. Claims 1-24 are

pending in this case.

### *Response to Arguments*

2.      Applicant's arguments with respect to claims 1, 16, and 24 have been considered

but are moot in view of the new ground(s) of rejection.

### *Claim Rejections - 35 USC § 101*

3.      35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of
> matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the
> conditions and requirements of this title.

4.      Claims 1-15 are rejected under 35 U.S.C. 101 because the claimed invention is

directed to non-statutory subject matter.

5.      In this case, claims 1-15 are rejected under 35 U.S.C. §101 because the claimed

invention is directed to non-statutory subject matter. Based on Supreme Court

precedent (See also *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437

U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); *Cochrane v.*

*Deener*, 94 U.S. 780, 787-88 (1876)) and recent Federal Circuit decisions, a §101

process must (1) be tied to another statutory class (such as a particular apparatus) or

(2) transform underlying subject matter (such as an article or materials) to a different

state or thing. In addition, the tie to a particular apparatus, for example, cannot be mere

extra-solution activity. See *In re Bilski*, 88 USPQ2d 1385 (Fed. Cir. 2008).

6.      An example of a method claim that would not qualify as a statutory process

would be a claim that recited purely mental steps.  To meet prong (1), the method step

should positively recite the other statutory class (the thing or product) to which it is tied.

This may be accomplished by having the claim positively recite the machine that

accomplishes the method steps.  Alternatively or to meet prong (2), the method step

should positively recite identifying the material that is being changed to a different state

or positively recite the subject matter that is being transformed.  In this particular case,

claim 1 fails prong (1) because the "tie" (e.g. using a user device) is representative of

extra-solution activity.

7.      Specifically, claim 1 recites "determining whether a user has a valid software

license" and "permitting the user to execute said software" without reciting who or what

determines or permits.  In the current version of claim 1, these method steps could

easily be interpreted as being performed by a human being.  For these reasons,

independent claim 1 and its dependent claims 2-15 are rejected under 35 U.S.C. 101.

### Claim Rejections - 35 USC § 112

8.      The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly
> claiming the subject matter which the applicant regards as his invention.

9.      Claims 1-15 are rejected under 35 U.S.C. 112, second paragraph, as being

incomplete for omitting essential steps, such omission amounting to a gap between the

steps.  See MPEP § 2172.01.  The omitted steps are:  the step(s) involved in

recognizing a user.  Specifically, claim 1 recites, inter alia, a method in which a

recognized user is permitted the use of certain software.  Nowhere in claim is 1 the said

user recognized. For these reasons, independent claim 1 and its dependent claims 2-15 are rejected under 35 U.S.C. 112, second paragraph.

10.     Additionally, claim 6 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 6 recites, ". . . . imposing a punishment comprising a time delay is imposed . . ." The said phrase is vague and indefinite and does not serve to set forth the metes and bounds of the invention.

## Claim Rejections - 35 USC § 103

11.     The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

12.     Claims 1-4 and 7-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Christiano (US 5,671,412), in view of Johnson et al (US 5,023,907).

13.     Regarding claim 1 -

14.     Christiano discloses a method for providing access to application software in the event of inaccessibility of a license management system (e.g. col 3 ln 67 – col 4 ln4), comprising the steps of determining whether a user has a valid software license to run a software application including sending a query to the license management system (e.g. col 4 ln 44-46); and permitting a user to execute said software application in the event of inaccessibility of the license management system (e.g. col 17 ln 15-20, col 3 ln 67-col 4 ln 4).

15.     Christiano does not specify recognizing a user before permitting him/her the execution of the software.  Johnson, however, does.  See, e.g. col 2ln 3-8, col 2ln 65 – col 3 ln 3 where the license and user databases at the server are checked whenever a software program is requested in order to determine whether a user is authorized or recognized.  It would be obvious to combine the teachings of Christiano and Johnson since both are in the field of digital licensing and in order to grant usage of software only to those users who are recognized and authorized.

16.     Regarding claim 2 –

17.     Christiano discloses the method according to claim 1, wherein said permitting step comprises: recognizing said user as a previously valid user, before permitting said recognized user to execute said software application (e.g. col 17 ln 20-22).  As above, Christiano does not specify exactly the same license descriptions and terms as in the instant claims, however, it would be obvious to one of ordinary skill in the art to adapt the teachings of Christiano in order to obtain the instant claims, thereby obtaining greater efficiency for the use of mission-critical software.

18.     Regarding claim 3 -

19.     Christiano discloses the method according to claim 2, wherein said recognizing step comprises: determining if access to said software application by said user has previously been validly authorized via said license management system (e.g. col 19 ln 11-15).   Note that it stands to reason, if the user has not been previously validly authorized, there will be no license record.

20.     Regarding claim 4 -

21.    Christiano discloses the method according to claim 2, further comprising:
executing said software application in a punishment mode comprising: imposing a
punishment (e.g. col 22, ln 5-20).  Although Christiano does not use the term
"punishment" the cited lines refer to ways in which the software behaves differently
while operating under the failsafe mode.  Even if not termed "punishment" by Christiano,
having a "failsafe" or "overdraft" message flashing constantly on the screen is arguably
annoying enough to be considered a punishment or penalty.  Nothing in claim 4 is more
specific as to the punishment.

22.    Regarding claim 7  -

23.    Christiano discloses the method according to claim 4, wherein said punishment
comprises: increasing said punishment upon occurrence of a first criterion (e.g. col 22 ln
5-20).  Although Christiano does not specify increasing a punishment it does discuss
different ways to indicate failsafe and/or overdraft status.  It would be obvious to one of
ordinary skill in the art to include an increase in such ways to indicate failsafe or
overdraft status as one more different way of indicating said status.

24.    Regarding claim 8 -

25.    Christiano discloses the method according to claim 4, wherein said punishment
comprises: decreasing said punishment upon occurrence of a second criterion (e.g. col
22 ln 5-20).  Failsafe and overdraft are different criteria, and, as above, under claim 7, a
decrease in such ways to indicate failsafe or overdraft status would be one more
different way of indicating said status.

26.    Regarding claim 9  –

27.    Christiano discloses the method according to claim 1, further comprising: storing recognition of previously authorized access on a local workstation used by said recognized user (e.g. col 21 ln 59-61).

28.    Regarding claim 10 -

29.    Christiano discloses the method according to claim 9, wherein said recognition is stored as an encrypted code key in a register of said local workstation (e.g. col 11 ln 42-57 Table 1).

30.    Regarding claim 11 -

31.    Christiano discloses the method according to claim 4, wherein said punishment mode comprises: increasing said punishment if said recognized user subsequently attempts to execute said application in failsafe mode in the event of inaccessibility of the license management system (e.g. col 22 ln 5-20).  Although Christiano does not specify increasing a punishment it does discuss different ways to indicate failsafe and/or overdraft status.  It would be obvious to one of ordinary skill in the art to include an increase in such ways to indicate failsafe or overdraft status as one more different way of indicating said status.

32.    Regarding claim 12 -

33.    Christiano discloses the method according to claim 4, wherein said punishment mode comprises: decreasing punishment if said recognized user subsequently attempts to execute said application including validated authorization by the license management system (e.g. col 22 ln 5-20).  Failsafe and overdraft are different criteria, and, as above,

under claim 7, a decrease in such ways to indicate failsafe or overdraft status would be one more different way of indicating said status.

34.     Regarding claim 13-

35.     Christiano discloses the method according to claim 4, wherein said punishment comprises: imposing at least one of a time delay, a time limit, a software impediment, and a disablement of functionality of said software application program (e.g. col 22 ln 5-20).   As above, Christiano does not use the term punishment, however, he does describe messages being displayed when software is in use under failsafe status, which can be considered a software impediment or punishment.

36.     Regarding claim 14  -

37.     Christiano discloses the method according to claim 1, wherein said license management system is a license server (e.g. fig. 1).

38.     Regarding claim 15-

39.     Christiano discloses the method according to claim 1, wherein said permitting step comprises determining whether any previously valid authorizations have been established with said license management system by checking a value set when said software application is initially validly installed  (e.g. col 21 ln 51-57).

40.     Regarding claim 16 -

41.     Christiano discloses a system for managing access to concurrent software licenses, comprising: a network (e.g. col 3 ln 18) a license management system coupled to said network operative to authorize a user of a software application (e.g. col 3 ln 20-25) and a client workstation coupled to said network, wherein said client workstation

comprises a validation device operative to permit a recognized user to execute said

software application in the event of inaccessibility of a license management system (e.g.

col 3 ln 67 – col 4 ln 4).

42.     Christiano does not specify recognizing a user before permitting him/her the

execution of the software.  Johnson, however, does.  See, e.g. col 2ln 3-8, col 2ln 65 –

col 3 ln 3 where the license and user databases at the server are checked whenever a

software program is requested in order to determine whether a user is authorized or

recognized.  It would be obvious to combine the teachings of Christiano and Johnson

since both are in the field of digital licensing and in order to grant usage of software only

to those users who are recognized and authorized.

43.     Regarding claim 17 -

44.     Christiano discloses the system according to claim 16, wherein said validation

device is operative to recognize whether said user previously obtained a valid

authorization to execute said software application by said license management system

before permitting execution of said software application (e.g. col 17 ln 20-22).  As

above, Christiano does not specify exactly the same license descriptions and terms as

in the instant claims, however, it would be obvious to one of ordinary skill in the art to

adapt the teachings of Christiano in order to obtain the instant claims, thereby obtaining

greater efficiency for the use of mission-critical software.

45.     Regarding claim 18 -

46.     Christiano discloses the system according to claim 16, wherein said validation

device permits said user to run said software application with a punishment (e.g. col 22,

ln 5-20). Although Christiano does not use the term "punishment" the cited lines refer to

ways in which the software behaves differently while operating under the failsafe mode.

Even if not termed "punishment" by Christiano, having a "failsafe" or "overdraft"

message flashing constantly on the screen is arguably annoying enough to be

considered a punishment or penalty. Nothing in claim 4 goes to greater specifics as to

the punishment.

47.     Regarding claim 19 -

48.     Christiano discloses the system according to claim 18, wherein said validation

device permits said user to execute said software application with said punishment if a

previously valid authorization of said user is recognized (e.g. col 22, ln 5-20). Although

Christiano does not use the term "punishment" the cited lines refer to ways in which the

software behaves differently while operating under the failsafe mode. Even if not

termed "punishment" by Christiano, having a "failsafe" or "overdraft" message flashing

constantly on the screen is arguably annoying enough to be considered a punishment

or penalty. Nothing in claim 4 goes to greater specifics as to the punishment.

49.     Regarding claim 20 -

50.     Christiano discloses the system according to claim 19, wherein said license

management system is a license server (e.g. fig. 1).

51.     Regarding claim 21 -

52.     Christiano discloses the system according to claim 19, wherein said punishment

comprises at least one of a time delay, a time limit, a software impediment, and a

disablement of functionality of said software (e.g. col 22 ln 5-20). As above, Christiano

does not use the term punishment, however, he does describe messages being displayed when software is in use under failsafe status, which can be considered a software impediment.

53.    Regarding claim 22 -

54.    Christiano discloses the system according to claim 21, wherein said punishment increases if said user previously attempted access with said inaccessible license management system (e.g. col 22 ln 5-20). Although Christiano does not specify increasing a punishment it does discuss different ways to indicate failsafe and/or overdraft status. It would be obvious to one of ordinary skill in the art to include an increase in such ways to indicate failsafe or overdraft status as one more different ways of indicating said status.

55.    Regarding claim 23 -

56.    Christiano discloses the system according to claim 22, wherein said punishment decreases if said user subsequently is validly authorized using said license management system Although Christiano does not specify increasing a punishment it does discuss different ways to indicate failsafe and/or overdraft status. It would be obvious to one of ordinary skill in the art to include a decrease in such ways to indicate failsafe or overdraft status depending on circumstances as one more different ways of indicating said status.

57.    Regarding claim 24 -

58.    Christiano discloses a computer program product embodied on a computer readable medium, said computer program product comprising program logic comprising

59.     program code means for enabling the computer to permit recognized users to execute said software application in the event of inaccessibility of said license management system (e.g. col 3 ln 67 – col 4 ln 4).

60.     Christiano does not specify recognizing a user before permitting him/her the execution of the software.  Johnson, however, does.  See, e.g. col 2ln 3-8, col 2ln 65 – col 3 ln 3 where the license and user databases at the server are checked whenever a software program is requested in order to determine whether a user is authorized or recognized.  It would be obvious to combine the teachings of Christiano and Johnson since both are in the field of digital licensing and in order to grant usage of software only to those users who are recognized and authorized.

61.     Claims 5 and 6 are rejected under 35 U.S.C. 103(a) as being unpatentable over Christiano (US 5,671,412), in view of Johnson et al (US 5,023,907), further in view of Rabin et al (US 6,697,948).

62.     Christiano and Johnson disclose as discussed above.

63.     Regarding claims 5 and 6 -

64.     Rabin discloses punitive action taken in the context of using software where the software is pirated or for any reason licenses cannot be verified.  Specifically, Rabin discloses having the software disabled for a specific, limited amount of time, thus, inter alia, logically, slowing down the software.  (e.g. col 7 ln 27-34, col 19, 49-57, col 21, ln 11-20, col 23 ln 17-25).

65.    It would be obvious to combine the teachings of Christiano, Johnson, and Rabin since all three are in the field of digital licensing and in order to grant usage of software only to those users who are recognized and authorized.

### *Conclusion*

66.    The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

67.    Coley et al (US 5,790,664) disclose an automated system for management of licensed software.

68.    Moskowitz et al (US 5,745,569) disclose a method for stega-cipher protection of computer code.

69.    Battat et al (US 2003/0033402) disclose a method and apparatus for intuitively administering networked computer systems.

70.    Misra et al (US 6,189,146) disclose a system and method for software licensing.

71.    Danieli (US 6,510,513) discloses security and p[olicy enforcement for electronic data.

72.    Any inquiry concerning this communication or earlier communications from the examiner should be directed to CRISTINA OWEN SHERR whose telephone number is (571)272-6711.  The examiner can normally be reached on 8:30-5:00 Monday through Friday.

73.    If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Calvin L. Hewitt, II can be reached on (571)272-6709.  The fax phone

number for the organization where this application or proceeding is assigned is 571-273-8300.

74.      Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

CRISTINA OWEN  SHERR
Examiner
Art Unit 3685

/Calvin L Hewitt II/
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Director, TC 3600